

SAN DIEGO COUNTY ECONOMIC FORECAST

San Diego is the second largest county in California, behind only Los Angeles. It has a population of 3.3 million people and a total of 1.4 million wage and salary jobs. The average salary per worker is \$75,764, and the per capita income is \$55,797.

San Diego County has a diverse economy with a strong tourism sector, a sizeable defense industry, and a bustling technology cluster. The U.S. Navy is the largest employer.

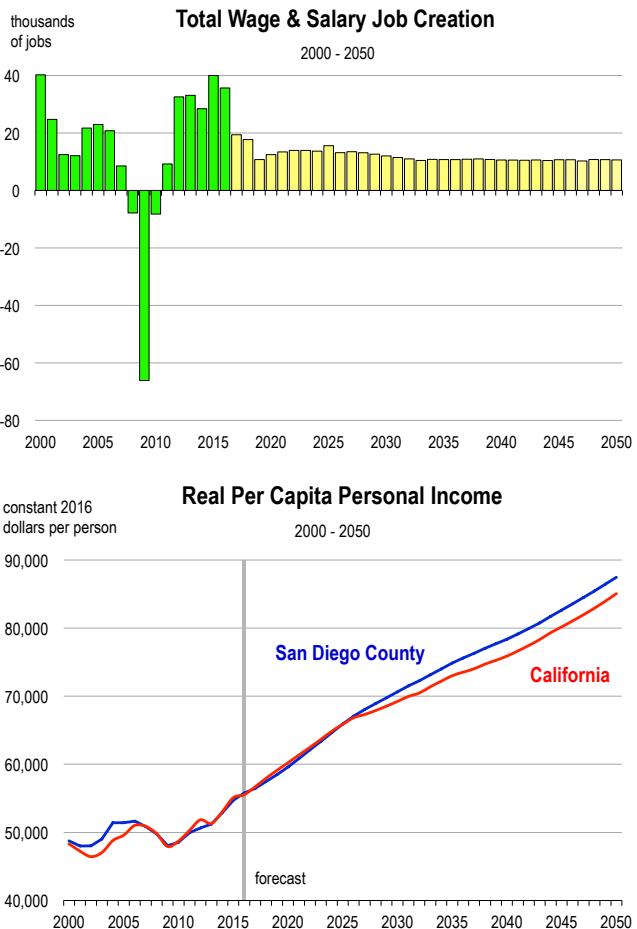
During 2016, San Diego County was characterized by employment growth of 2.6 percent, gaining a total of 35,700 jobs. Across the broader Southern California region, total employment increased by 2.5 percent. In San Diego County, the unemployment rate improved from 5.2 percent in 2015 to 4.7 percent in 2016.

In 2016, the largest job gains occurred in leisure and hospitality (+6,800 jobs), construction (+6,200 jobs), government (+5,900 jobs), and healthcare and education (+5,800 jobs). Small losses were observed in information (-120 jobs) and agriculture (-100 jobs).

From 2011-2016, the population of San Diego County grew at an annual average rate of 1.0 percent. This growth was largely a result of the natural increase (new births), but net migration was relatively strong, with 9,500 net migrants entering the county each year.

FORECAST HIGHLIGHTS

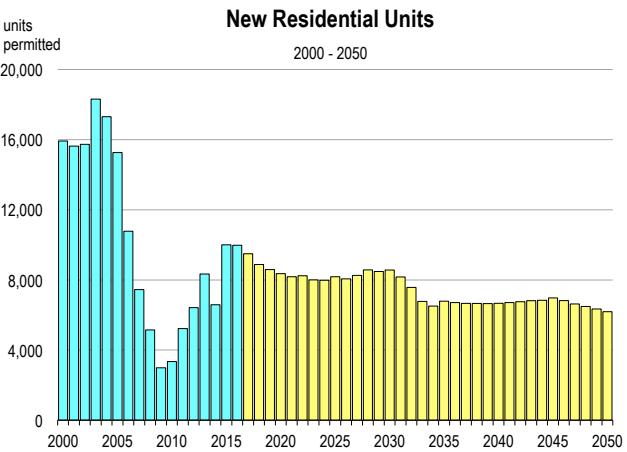
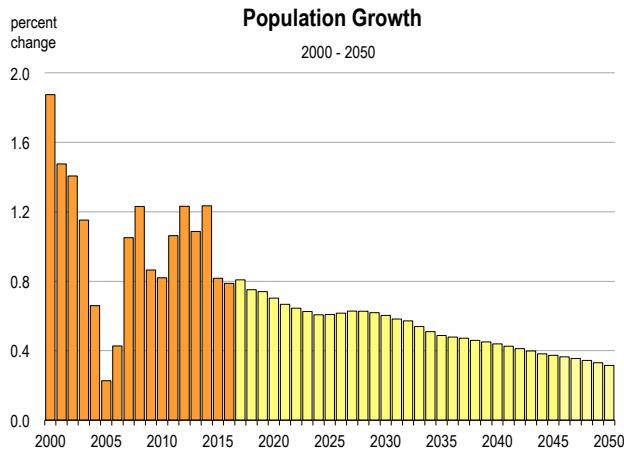
- Total employment is expected to increase by 1.4 percent in 2017. From 2017 to 2022, growth will average 0.9 percent per year.
- Average salaries are above the California state average, and will remain so over the foreseeable future. In San Diego County, real average salaries will rise by an average of 1.8 percent per year from 2017 to 2022.
- Between 2017 and 2022, the largest job gains will be observed in professional and business services, leisure and hospitality, education and healthcare, and government. Together, these sectors will account for 77 percent of net job creation.
- Population growth will decelerate slightly, averaging 0.7 percent annually from 2017 to 2022.
- Net migration will be very low. From 2017 to 2022, an average of 1,900 net migrants will enter the county each year.
- Between 2017 and 2022, an average of 8,500 housing permits will be issued each year. The most prominent areas for development will be Chula Vista and Downtown San Diego.
- Real per capita income is expected to increase by 1.2 percent in 2017. Annual average growth of 1.9 percent is expected from 2017 to 2022.
- Total taxable sales are expected to increase by an average of 0.8 percent per year from 2017 to 2022.
- Industrial production is expected to rise by an average of 1.6 percent per year from 2017 to 2022.



San Diego County Economic Forecast

2010-2016 History, 2017-2050 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	3,102,852	-249	2.67	1,086.2	3,346	\$41.6	\$136.6	\$48,566	1.2	1.82	22.5	10.8
2011	3,135,806	7,914	2.65	1,089.4	5,222	\$45.1	\$145.7	\$49,938	2.7	1.81	22.2	10.3
2012	3,174,446	14,677	2.67	1,096.1	6,419	\$47.9	\$152.7	\$50,670	2.0	1.84	23.3	9.1
2013	3,208,946	11,505	2.75	1,105.6	8,342	\$50.3	\$157.8	\$51,223	1.1	1.93	24.3	7.8
2014	3,248,547	15,225	2.81	1,112.1	6,583	\$52.7	\$167.1	\$52,889	1.4	1.87	25.4	6.4
2015	3,275,084	2,471	2.88	1,120.7	10,005	\$54.2	\$175.9	\$54,708	0.9	1.73	27.0	5.2
2016	3,300,891	3,652	2.93	1,126.1	9,972	\$55.6	\$184.2	\$55,797	1.9	1.67	28.1	4.7
2017	3,327,564	4,942	2.97	1,129.8	9,493	\$57.6	\$192.5	\$56,437	2.5	1.64	28.8	4.5
2018	3,352,564	3,254	3.00	1,138.8	8,880	\$59.8	\$202.8	\$57,473	2.7	1.64	29.2	4.5
2019	3,377,380	2,984	3.02	1,147.3	8,592	\$62.0	\$213.7	\$58,486	2.8	1.65	29.6	4.5
2020	3,401,115	1,899	3.04	1,155.4	8,357	\$64.3	\$225.7	\$59,631	2.9	1.67	30.1	4.6
2021	3,423,807	868	3.07	1,163.4	8,182	\$66.6	\$238.5	\$60,864	2.8	1.69	30.6	4.5
2022	3,445,885	313	3.09	1,171.1	8,239	\$69.0	\$252.3	\$62,120	3.0	1.71	31.2	4.5
2023	3,467,447	-81	3.11	1,179.0	8,002	\$71.3	\$265.8	\$63,393	2.6	1.72	31.9	4.5
2024	3,488,489	-462	3.14	1,186.6	7,981	\$73.8	\$279.6	\$64,653	2.5	1.73	32.5	4.4
2025	3,509,718	-100	3.16	1,194.1	8,182	\$76.5	\$293.5	\$65,898	2.4	1.75	33.1	4.3
2026	3,531,347	464	3.19	1,201.9	8,062	\$79.0	\$307.6	\$67,085	2.3	1.76	33.6	4.2
2027	3,553,531	1,223	3.21	1,209.6	8,260	\$81.4	\$321.7	\$68,031	2.5	1.77	34.2	4.2
2028	3,575,827	1,546	3.23	1,217.4	8,573	\$84.2	\$336.8	\$68,918	2.7	1.78	34.9	4.2
2029	3,597,962	1,598	3.25	1,225.6	8,481	\$86.8	\$351.1	\$69,789	2.3	1.80	35.7	4.2
2030	3,619,669	1,401	3.28	1,233.6	8,565	\$89.6	\$365.1	\$70,645	2.1	1.81	36.5	4.3
2031	3,640,754	973	3.30	1,241.7	8,170	\$92.6	\$379.1	\$71,509	2.0	1.82	37.3	4.3
2032	3,661,572	846	3.31	1,249.5	7,574	\$95.8	\$393.5	\$72,279	2.1	1.83	38.2	4.3
2033	3,681,319	-93	3.33	1,256.7	6,776	\$99.4	\$409.2	\$73,154	2.2	1.85	39.0	4.3
2034	3,700,090	-870	3.35	1,263.1	6,510	\$102.9	\$425.7	\$74,023	2.3	1.86	39.9	4.3
2035	3,718,133	-1,449	3.37	1,269.3	6,788	\$106.5	\$443.2	\$74,884	2.4	1.87	40.8	4.3
2036	3,735,930	-1,585	3.39	1,275.8	6,709	\$109.7	\$460.0	\$75,616	2.3	1.88	41.7	4.3
2037	3,753,566	-1,693	3.41	1,282.1	6,664	\$112.7	\$476.6	\$76,294	2.2	1.89	42.6	4.3
2038	3,770,821	-2,089	3.43	1,288.5	6,661	\$115.6	\$493.5	\$77,025	2.1	1.91	43.6	4.3
2039	3,787,820	-2,370	3.44	1,294.8	6,651	\$118.5	\$510.5	\$77,695	2.1	1.92	44.6	4.4
2040	3,804,465	-2,694	3.46	1,301.1	6,667	\$121.6	\$529.4	\$78,380	2.3	1.93	45.6	4.4
2041	3,820,669	-3,173	3.48	1,307.4	6,708	\$125.1	\$549.1	\$79,132	2.5	1.94	46.6	4.4
2042	3,836,414	-3,696	3.50	1,313.8	6,758	\$128.5	\$570.6	\$79,932	2.3	1.96	47.6	4.4
2043	3,851,704	-4,223	3.52	1,320.2	6,816	\$132.0	\$592.3	\$80,786	2.3	1.97	48.7	4.4
2044	3,866,417	-4,883	3.54	1,326.7	6,840	\$135.6	\$614.7	\$81,727	2.2	1.98	49.8	4.4
2045	3,880,866	-5,225	3.55	1,333.2	6,975	\$138.9	\$636.9	\$82,630	2.1	1.99	50.9	4.4
2046	3,895,019	-5,603	3.57	1,339.8	6,821	\$142.5	\$660.7	\$83,566	2.2	2.01	52.0	4.4
2047	3,908,860	-6,003	3.59	1,346.3	6,630	\$146.3	\$685.9	\$84,498	2.3	2.02	53.2	4.4
2048	3,922,315	-6,483	3.61	1,352.6	6,486	\$150.2	\$711.8	\$85,463	2.3	2.03	54.4	4.5
2049	3,935,287	-7,062	3.63	1,358.7	6,343	\$154.4	\$739.7	\$86,453	2.4	2.04	55.6	4.5
2050	3,947,696	-7,708	3.65	1,364.8	6,189	\$158.8	\$769.2	\$87,473	2.5	2.06	56.8	4.5

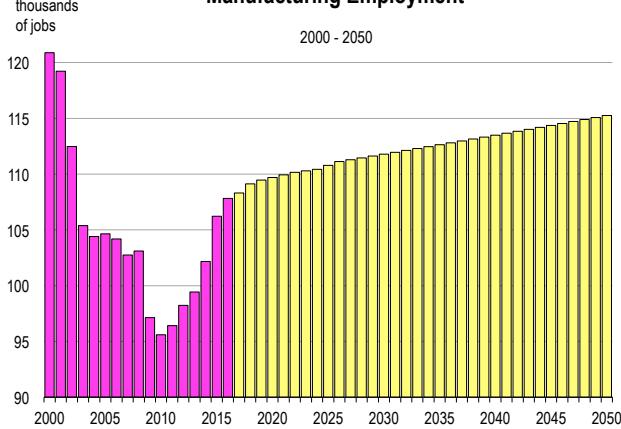


San Diego County Employment Forecast

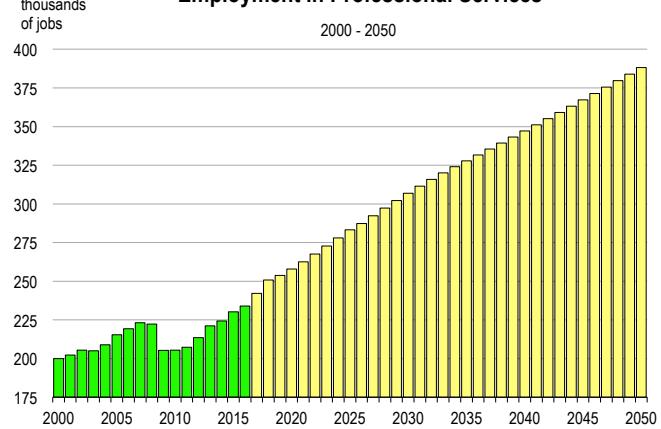
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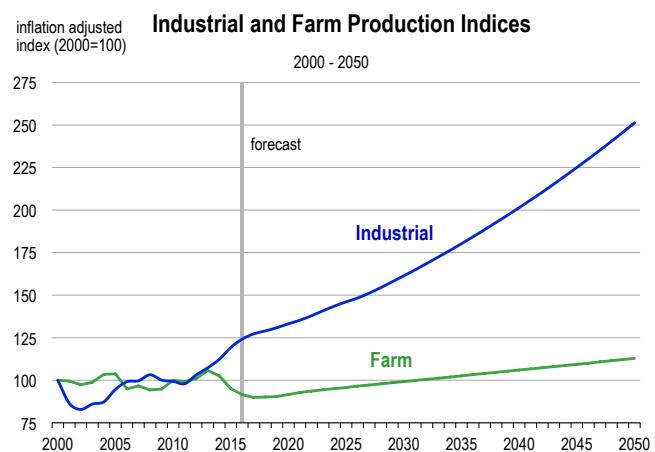
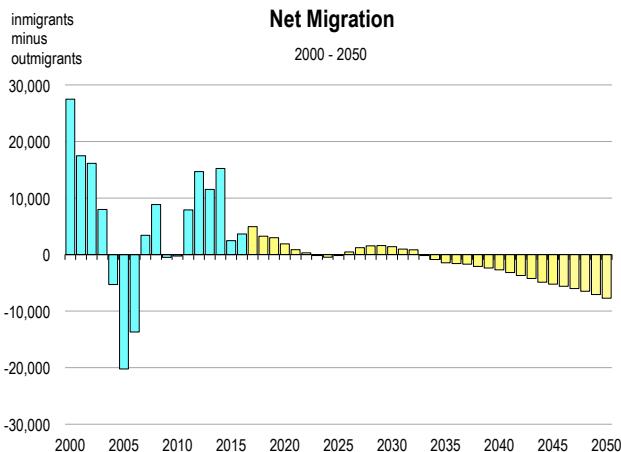
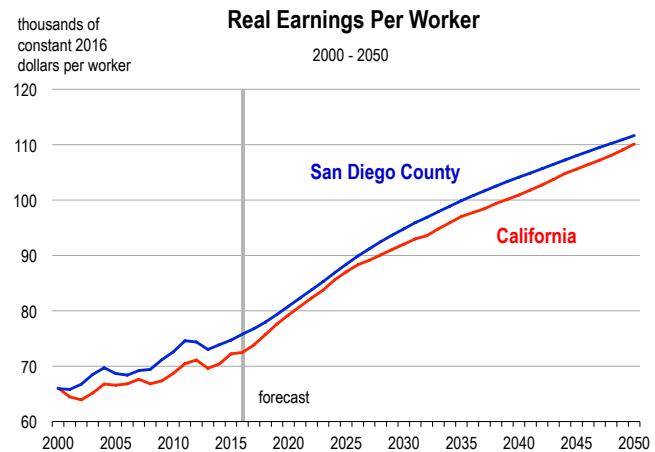
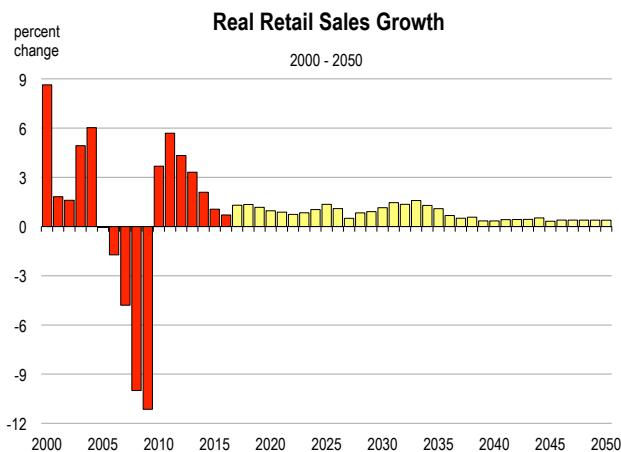
Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----											
2010	1,252.6	10.53	55.4	95.6	26.5	170.9	67.1	205.5	25.1	164.5	154.5
2011	1,261.8	9.79	55.2	96.4	26.1	174.9	67.4	207.4	24.2	167.9	155.6
2012	1,294.4	9.80	57.0	98.2	27.3	180.7	69.8	213.4	24.5	174.5	161.7
2013	1,327.5	9.75	61.0	99.4	27.2	185.2	70.8	221.1	24.3	181.0	168.6
2014	1,356.0	9.38	63.9	102.2	27.0	188.0	69.4	224.3	24.4	186.0	177.0
2015	1,395.9	9.08	69.9	106.2	28.4	190.9	71.2	230.2	23.8	192.7	183.9
2016	1,431.6	8.98	76.1	107.8	29.4	192.2	73.0	234.0	23.6	198.5	190.7
2017	1,451.0	8.93	77.1	108.3	29.8	194.7	72.8	242.1	23.9	201.5	192.3
2018	1,468.7	8.90	77.8	109.1	30.4	197.1	71.2	250.8	23.7	203.2	194.8
2019	1,479.4	8.89	78.8	109.5	30.7	198.1	70.4	253.8	23.7	205.2	196.6
2020	1,491.9	8.90	79.5	109.7	30.8	198.8	70.7	257.9	23.9	207.2	198.4
2021	1,505.3	8.91	80.3	109.9	30.9	199.4	71.0	262.5	24.3	209.3	200.3
2022	1,519.3	8.92	80.7	110.2	30.9	200.1	71.5	267.6	24.6	211.4	202.2
2023	1,533.2	8.93	81.3	110.3	31.0	200.7	71.6	272.8	24.9	213.7	204.1
2024	1,546.9	8.94	81.8	110.4	31.1	201.4	71.6	278.0	25.1	216.2	205.9
2025	1,562.4	8.95	82.4	110.8	31.2	202.3	71.7	283.2	25.6	218.7	207.8
2026	1,575.6	8.96	82.9	111.1	31.2	202.9	71.9	287.3	26.2	221.0	209.5
2027	1,589.1	8.97	83.5	111.3	31.3	203.4	72.5	292.3	26.9	223.4	211.3
2028	1,602.2	8.98	84.1	111.5	31.4	204.0	72.8	297.3	27.3	225.9	213.1
2029	1,614.8	8.99	84.5	111.6	31.5	204.5	73.2	302.2	27.7	228.5	214.8
2030	1,626.8	9.00	85.0	111.8	31.6	205.1	73.3	306.9	28.1	231.1	216.4
2031	1,638.3	9.01	85.2	112.0	31.6	205.7	73.3	311.5	28.5	233.7	217.9
2032	1,649.3	9.02	85.3	112.1	31.7	206.2	73.1	315.9	29.0	236.3	219.4
2033	1,659.7	9.03	85.3	112.3	31.8	206.8	73.1	320.1	29.1	238.9	220.9
2034	1,670.5	9.04	85.7	112.5	31.9	207.3	73.4	324.1	29.3	241.5	222.3
2035	1,681.3	9.05	86.4	112.6	31.9	207.8	73.6	327.8	29.5	244.1	223.6
2036	1,692.0	9.06	86.9	112.8	32.0	208.1	73.9	331.6	29.9	246.7	224.9
2037	1,702.9	9.07	87.4	113.0	32.2	208.5	74.2	335.5	30.3	249.4	226.2
2038	1,713.9	9.07	88.1	113.2	32.2	208.9	74.5	339.4	30.5	252.0	227.4
2039	1,724.6	9.08	88.9	113.3	32.3	209.3	74.8	343.2	30.8	254.7	228.6
2040	1,735.2	9.09	89.4	113.5	32.4	209.6	75.0	347.2	31.0	257.3	229.7
2041	1,745.8	9.10	90.0	113.7	32.4	209.9	75.3	351.1	31.2	260.0	230.8
2042	1,756.3	9.11	90.6	113.8	32.4	210.2	75.4	355.1	31.4	262.6	231.9
2043	1,766.9	9.12	91.3	114.0	32.5	210.4	75.6	359.1	31.5	265.3	232.9
2044	1,777.4	9.13	91.9	114.2	32.6	210.7	75.7	363.2	31.6	267.9	233.9
2045	1,788.0	9.14	92.6	114.4	32.7	210.9	75.9	367.3	31.8	270.6	234.9
2046	1,798.7	9.15	93.1	114.5	32.7	211.1	76.2	371.4	32.0	273.3	235.8
2047	1,809.0	9.16	93.5	114.7	32.7	211.3	76.2	375.5	32.3	276.1	236.7
2048	1,819.8	9.17	94.0	114.9	32.8	211.5	76.5	379.7	32.4	278.8	237.6
2049	1,830.5	9.18	94.5	115.1	32.8	211.7	76.8	383.9	32.5	281.6	238.5
2050	1,841.1	9.19	95.0	115.3	32.8	211.9	77.0	388.2	32.6	284.5	239.4

Manufacturing Employment



Employment in Professional Services





County Economic and Demographic Indicators

Projected Economic Growth (2017-2022)

Expected retail sales growth:	5.2%
Expected job growth:	4.7%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	14.0%

Expected population growth:	3.6%
Net migration to account for:	7.9%
Expected growth in number of vehicles:	4.0%

Demographics (2017)

Unemployment rate (April 2017):	3.8%
County rank* in California (58 counties):	13th
Working age (16-64) population:	66.6%

Population with B.A. or higher:	35.7%
Median home selling price (2016):	\$490,000
Median household income:	\$69,508

Quality of Life

Violent crime rate (2015):	327 per 100,000 persons
County rank* in California (58 counties):	24th
Average commute time to work (2017):	27 minutes

High school drop out rate (2016):	8.7%
Households at/below poverty line (2017):	10.9%
* The county ranked 1st corresponds to the lowest rate in California	